

AUDIT AND GOVERNANCE BOARD

At a meeting of the Audit and Governance Board held on Wednesday, 6 July 2022 at the Council Chamber - Town Hall, Runcorn

Present: Councillors Polhill (Chair), A. Lowe (Vice-Chair), E. Cargill, Garner, Jones, L. Nolan, Philbin and Wallace

Apologies for Absence: Councillors J. Bradshaw, Harris and McDermott

Absence declared on Council business: None

Officers present: E. Dawson, S. Baker and G. Ferguson

Also in attendance: Michael Green – Grant Thornton

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

		<i>Action</i>
AGB1	MINUTES	
	<p>The Minutes of the meeting held on 23 March 2022, were taken as read and signed as a correct record.</p>	
AGB2	CORPORATE RISK REGISTER BIENNIAL UPDATE 2022/23	
	<p>The Board considered a report of the Operational Director – Policy, Planning and Transportation, on the bi-annual update of the Corporate Risk Register for 2022/23.</p> <p>The Board was advised that the Council recognised its responsibility to manage both internal and external risks as a key component of good corporate governance. At Directorate level, arrangements were in place for the high risk mitigation measures on the Directorate Risk Registers to be reviewed and updated annually, in line with Directorate Business Plans. Progress was then reported to Management Team and Policy and Performance Boards.</p> <p>It was reported that the Risk Control Measures had been reviewed and updated in line with current changes within the Authority and as proposed by managers and stakeholders. The risks had been re-prioritised so that</p>	

people, (the community and staff), took priority. These were set out in the report.

RESOLVED: That

1. the progress of actions be noted; and
2. the robustness of the Corporate Risk Register and the adequacy of the associated risk management arrangements be noted.

AGB3 INFORMING THE EXTERNAL AUDIT RISK ASSESSMENT

The Board considered a report by the Operational Director - Finance, which presented for information the draft response provided to the annual letter to the Board from Grant Thornton, the Council's external auditors, regarding their year-end audit of accounts work.

The Appendix to the report outlined the draft responses provided to a number of questions contained in a letter from Grant Thornton, which it was proposed to provide to them in order to assist with their year-end audit of accounts.

Arising from the discussion the Board raised a number of issues which were addressed around the employment of external solicitors, risks due to the impact of future Government funding to local authorities and the potential risks around the Cheshire Pension Fund.

RESOLVED: That the draft responses shown in the Appendix be provided to the Council's external auditors.

Operational
Director - Finance

AGB4 INTERNAL AUDIT ANNUAL REPORT 2021/22

The Board considered a report of the Divisional Manger – Audit, Procurement and Operational Finance, which summarised the work completed by Internal Audit during 2021/22, which included an opinion on the effectiveness of the Council's overall risk management, control and governance processes.

The Public Sector Internal Audit Standards (PSIAS) required the Head of Internal Audit to deliver an annual audit opinion and report that could be used to inform the Annual Governance Statement (the *Internal Audit Annual Report 2021/22* was appended to the report).

It was noted that it was the view of the Head of

Internal Audit that sufficient audit work was completed during the year to be able to form an overall opinion. It was reported that the Council's risk management, control and governance processes that were in place during 2021/22 were considered to be adequate and had operated effectively during the year.

RESOLVED: That the Board

1. receives and notes the overall opinion on the Council's risk management control and governance processes that were in place during 2021/22;
2. notes and endorses the safeguards established to limit any impairment to the independence or objectivity of the internal audit function; and
3. notes the Internal Audit Charter which sets out the purpose, authority and responsibility of the Council's internal audit activity.

AGB5 EXTERNAL AUDIT ANNUAL REPORT 2020/21

The Board considered a report of the Operational Director – Finance, which provided a copy of the Interim External Auditor's, Grant Thornton UK LLP, Annual Report 2020/21.

The External Auditor was required to consider whether the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. The Annual Report detailed overall arrangements, as well as providing key recommendations on any significant weaknesses in arrangements identified during the audit.

On behalf of Grant Thornton UK LLP, Michael Green presented details of the findings of the External Auditor to the Board.

A Member sought clarification regarding the funding of the refurbishment of Lilycross Care Centre and it was agreed that information would be circulated to the Board.

RESOLVED: That the contents of the 2020/21 External Audit Annual Report be noted, including recommendations set out from page 26 of the report.

Operational
Director - Finance

AGB6 EXTERNAL AUDIT PLAN – 2021/22 YEAR-END

The Board considered a report of the Operational Director - Finance, which set out the 2021/22 year-end Audit Plan, presented by the External Auditor, Grant Thornton UK LLP.

The Board was advised that the External Audit Plan was attached to the report and set out details of risks identified, their approach to the value for money conclusion and audit fees.

RESOLVED: That the contents of the External Audit Plan for 2021/22 year-end be noted.

AGB7 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- 1) whether members of the press and public should be excluded from the meeting of the Board during consideration of the following items of business in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972, because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972; and
- 2) whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following item of business, in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972.

AGB8 INTERNAL AUDIT PROGRESS REPORT

The Board received a report from the Divisional Manager – Audit, Procurement and Operational Finance, updating them on the internal audit activity since the last progress report to the Board on 23 March 2022. It also highlighted any matters that were relevant to the Board's responsibilities as the Council's Audit Committee.

Members were referred to appendix one, which listed all the planned work for the year and the anticipated dates that each audit would be reported to the Board. It was noted that the planning and completion of work was subject to change, but this represented the best estimates at the current time.

Further to the approval of the Audit Plan on 23 March 2022, Members were advised that good progress had been made against the Plan so far, with most outstanding work relating to the 2021/22 Audit Plan now complete or nearing completion. The remaining work from 2021/22 would be reported to the next meeting of the Board.

Appended to the report were the executive summaries of the reports issued numbering 2 to 16, as listed in paragraph 4.2.

The Board discussed the difficulties the Council was experiencing recruiting staff and it was noted that a report would be submitted to the next Corporate Policy and Performance Board exploring these issues.

RESOLVED: That the Internal Audit Progress Report and comments made be noted.

Meeting ended at 7.40 p.m.